

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL PLUS 4 CONTRACTS
NEGOTIATED SERVICE AGREEMENTS

Docket No. MC2018-150

COMPETITIVE PRODUCT PRICES
GLOBAL PLUS 4 CONTRACTS (MC2018-150)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2018-216

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 2,
WITH PORTIONS FILED UNDER SEAL**
(June 5, 2018)

The United States Postal Service (Postal Service) hereby provides its response to Chairman's Information Request No. 2, which the Postal Regulatory Commission (Commission) filed in these dockets on May 31, 2018. A response was due no later than June 5, 2018. The first question in the request is reprinted verbatim in the attached, followed by the Postal Service's response. The Commission filed the second question under seal, so the Postal Service is filing its response to the second question under seal and relies upon the Application for Non-Public Treatment that the Postal Service filed in this docket on May 10, 2018.¹

¹ Request of the United States Postal Service to Add Global Plus 4 to the Competitive Product List and Notice of Filing a Global Plus 4 Contract Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket Nos, MC2018-150 and CP2018-216, May 10, 2018.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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Please refer to the response to Chairman's Information Request No. 1, question 1e.²

1. The Postal Service states: "The edits to the paragraph concerning Commercial ePacket update the description of Commercial ePacket, which is an option available in Global Plus Contracts. Because current Global Plus contractholders are required to comply with the CeP preparation requirements, these changes will not affect existing Global Plus contracts." Response to CHIR No. 1, question 1e. Please confirm that the edits to the paragraph concerning Commercial ePacket service revise Commercial ePacket service from being an optional feature for IPA to being an optional feature for FCPIS. If confirmed, please explain how this change does not affect existing Global Plus contracts that offer Commercial ePacket service as an optional feature for IPA, and answer question 2. If not confirmed, please explain.

RESPONSE:

Confirmed. The edits to the paragraph concerning Commercial ePacket service in the Mail Classification Schedule (MCS) included in Attachment 3 of the Postal Service's initial filing in this docket revise Commercial ePacket service from being an optional feature for IPA to being an optional feature for FCPIS. Those edits are the following, with the additional edit of replacing "scan" with "tracking" for clarity:

~~For IPA, optional features may include Commercial ePacket (CeP) service, which is a delivery confirmation with scanning service available for IPA items to certain destinations~~ is designed for volume shipments of FCPIS items and provides scan tracking events for FCPIS mailpieces meeting certain physical characteristics to select destinations. CeP shipments are prepared according to mailer preparation requirements provided by the Postal Service.

² Response of the United States Postal Service to Chairman's Information Request No. 1, May 30, 2018, question 1e (Response to CHIR No. 1).

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Commercial ePacket service is also available under certain Global Expedited Package Services (GEPS) Contracts, and in the MCS section concerning GEPS Contracts, MCS section 2510.3.5 Optional Features includes the following paragraph, which mentions Commercial ePacket service

- Delivery Tracking
 - Offered with FCPIIS to certain destinations as Commercial ePacket Service or Electronic USPS Delivery Confirmation® International.

Thus, it is appropriate in the Global Plus Contracts Optional Features section of the MCS to refer to FCPIIS when describing Commercial ePacket service.

This change does not have a material impact on Commercial ePacket service, and does not affect existing Global Plus contracts that offer Commercial ePacket service as an optional feature for IPA. The paragraph in question was originally added to the MCS in 2012, with the addition of Commercial ePacket to the Global Plus product.³ At the time, FCPIIS was not offered as part of the Global Plus product.⁴ Presumably, IPA served as a reference product proxy for Commercial ePacket service at that time. Moreover, IPA is described in the MCS as “a bulk international airmail service for mailing First-Class Mail International and Outbound Single-Piece First-Class

³ See Request of the United States Postal Service to Add Global Plus 1C to the Competitive Products List and Notice of Filing Two Functionally Equivalent Global Plus 1C Contracts Negotiated Service Agreements and Application for Non-Public Treatment of Materials Filed Under Seal, Docket Nos. MC2012-6, CP2012-12, and CP2012-13, January 4, 2012, at Attachment 2C, section 2510.6.5.

⁴ In fact, FCPIIS was only added to the competitive products list in PRC Order No. 1461, Order Approving Request for Product List Transfer, Docket No. MC2012-44, September 10, 2012.

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Package International Service items.”⁵ Thus, because Commercial ePacket is a bulk international service for mailing FCPIIS items, it is appropriate to refer to FCPIIS in describing Commercial ePacket service in the MCS.⁶ In these dockets, the Postal Service is updating the paragraph in question, so that it more appropriately describes Commercial ePacket, which is designed for volume shipments of FCPIIS items.

⁵ See PRC, Mail Classification Schedule, posted January 21, 2018 (with revisions through April 1, 2018), available at <https://www.prc.gov/mail-classification-schedule>, section 2320.1.a.

⁶ While references to FCPIIS in relation to Commercial ePacket service are appropriate for the MCS, as discussed in the response to Question 2, the underlying financial model for Commercial ePacket service does reference IPA for transportation costs as proxies, because both the Commercial ePacket and IPA Service involve bulk shipments containerized by the mailer.

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2. Please see Attachment, filed under seal.

RESPONSE:

Please see response, filed under seal.